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CENTRAL INTELLIGENCE AGENCY

5 March 1956

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Libya as a Possible Subject of an NIE

1. This memorandum contains, in paragraph 2, recommendations submitted for DCI approval. It is in response to an exploratory suggestion of the Director of Intelligence, USAF, for an NIE on Libya, discussed briefly at the IAC meeting.

2. In the light of the attached memorandum, we recommend against our initiating a paper at this time replacing the brief treatment of Libya in NIE 71-54 (Probable Developments in North Africa, 31 August 1954), all the more so since the immediate question of the size of Ben Halim's "refresher" will probably be decided one way or another before an NIE could be produced. Moreover, we are already heavily engaged on other Middle East papers that seem to us of higher priority than Libya, and are likely to receive further urgent requests. Unless the military planners specifically indicate an urgent need for a formal IAC reevaluation of the strength and stability of our base position in Libya, we believe that the necessary diversion of time and energy from these other projects would not be justified. We further recommend that the attached memorandum be circulated to the members of the IAC and that the matter be discussed at the next IAC meeting.

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SHERMAN KENT
Assistant Director
National Estimates

attachment
CONCUR:

DD/I

Recommendations in para. 2 approved:

DOCUMENT NO. 5
NO CHANGE IN CLASS. ☐
☒ DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: _____

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CENTRAL INTELLIGENCE AGENCY

5 March 1956

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : The Outlook in Libya

1. During the last eight months or so, US-UK power and influence in Libya has suffered a number of setbacks. Originally a professed backer of the Baghdad Pact, Libya's Prime Minister Ben Halim soon swung over to the Egyptian side and has since displayed considerable receptivity to Egyptian influence. In September Libya established diplomatic relations with the USSR. The USSR has taken advantage of this opportunity by sending out a relatively large diplomatic establishment (about 30, including a scattering of wives and children) and by promptly offering Libya economic aid "without strings." Ben Halim, in turn, has taken advantage of the Soviet offers (and of Egyptian offers to provide all the arms he needs) to put pressure on the US and UK for assistance in setting up a 5,000-man army and for additional economic aid. The UK and US have already been induced to provide Libya with an armored car squadron. The question of additional US economic aid is in abeyance pending Ambassador Tappin's current visit to Washington.

2. Ben Halim will almost certainly be a harder man to deal with from now on out. He was profoundly impressed by the alacrity with which the US took up the Aswan Dam project following Egypt's arms deal with the Bloc and is manifestly convinced that his own bargaining position has been greatly strengthened by the new Soviet presence in the area. He will almost certainly try to sell his real estate and good will dearly to the West. He is probably tempted to

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accept some Soviet and Egyptian offers, both as a means of getting something for nothing and as a means of increasing the pressure on the UK and US.

3. We do not believe, however, that the situation justifies some of the more alarmist field reporting of recent months, notably to the effect that Libya was in imminent danger of becoming either an Egyptian or a Soviet satellite. Judging by the tenor of Ambassador Tappin's recent debriefing, he apparently tends now to agree with us. While Ben Halim's loyalties to the West can probably be best expressed in monetary terms, by the same token he is almost certainly well aware of Libya's continuing dependence on Western good will for its survival as a nation. Moreover, he is likely to apply some of the same tactics against his new-found Egyptian and Soviet friends that he is now using against the West. The Libyan government has already taken pains to indicate to the Egyptians that efforts to pressure it into subservience are unwelcome. Although the Libyan government may eventually go too far in allowing Egyptian and Soviet influence to operate within its territory, we do not believe that it would do so consciously nor that -- given the present low level of Libyan political development -- any resultant threats to internal stability would be quick to appear. While our military position in Libya continues to be a gamble and while Soviet and Egyptian pressures have injected an additional element of risk into the situation, we believe that our bases can be maintained and kept reasonably secure if we are prepared to pay a somewhat higher price. The new problem of the Soviet presence in the picture, which is essentially a regional rather than a special Libyan problem, will be taken up in the Soviet Middle East paper scheduled for later this year as well as in the new estimate now being initiated at Mr. Armstrong's suggestion, regarding the effectiveness of Bloc tactics vis-a-vis the underdeveloped areas of the world.

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4. In the light of the above, we propose not to do .
an estimate on Libya at this time unless the IAC decides
otherwise.

FOR THE BOARD OF NATIONAL ESTIMATES:

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SHERMAN KENT
Assistant Director
National Estimates

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